

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**CORRECTED  
FISCAL NOTE**

**SB 2563 - HB 2651**

March 9, 2010

**SUMMARY OF BILL:** Prohibits a health care provider from releasing a patient's medical records to a person other than the patient or the patient's authorized representative unless the release is authorized through the informed consent of the patient or the patient's authorized representative. If the patient dies or is incapacitated prior to consenting to the release, the release is contingent on the informed consent of the patient's authorized representative or the patient's next of kin. Defines "informed consent" as written consent to the disclosure of all or part of a patient's medical records in at least a 14-point font which includes the patient's name, the type of information disclosed, the provider to whom consent is given, the purpose of the disclosure, the individuals to whom disclosure can be made, the signature of the patient or the authorized representative, the date, and the duration of the consent.

**ESTIMATED FISCAL IMPACT:**

On February 15, 2010, we issued a fiscal note reflecting *a not significant increase in state expenditures to the General Fund and the Health Related Boards and a not significant increase to local expenditures*. Based on additional information received from the Department of Human Services, the fiscal impact of the bill is as follows:

**(CORRECTED)**

**Increase State Expenditures – \$13,100/One-Time/General Fund  
\$51,100/Recurring/General Fund  
Not Significant/Health Related Boards**

**Increase Local Expenditures – Not Significant**

**Assumptions:**

- The Department of Human Services currently requires all of the information included in the provisions of the bill. The form in which the information is required by the Department's Disability Determination Services Division (DDSD) is mandated by the federal Social Security Administration and does not accommodate a 14-point font.
- The Department will need to develop an additional form in a 14-point font to accompany medical record requests and modify its database to track the additional form.
- In FY08-09, DDSD requested approximately 245,600 medical records from health care providers. The Department estimates creating and providing the form will result in an increase in expenditures of \$51,084 which includes printing the form (\$2,700),

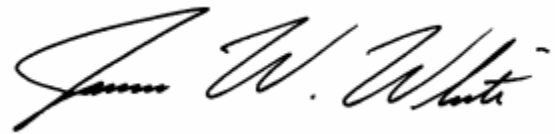
**SB 2563 - HB 2651 (CORRECTED)**

envelopes  $[(245,600/10) \times \$0.41 = \$10,070]$ , and overnight postage  $[(245,600/10) \times \$1.56 = \$38,314]$ .

- The modifications to the database will result in an increase in one-time expenditures of \$13,125  $(175 \times \$75)$  for 175-hours of analysis, design, and testing at a rate of \$75 per hour.
- The Division of Health Related Boards may incur an increase in investigations and prosecutions of health care providers and health care facilities for not complying with the new requirements relative to the production of medical records. Any increase in expenditures will not be significant and can be accommodated within the existing resources of the Division.
- Pursuant to Tenn. Code Ann. § 4-3-1011, all health-related boards are required to be self-supporting over a two-year period. As of June 30, 2008, the Division had a balance of \$1,000,000.
- The local health departments may incur an increase in state and local expenditures to revise medical record consent disclosure forms. Any cost can be accommodated within existing resources without an increased appropriation or reduced reversion.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible.

James W. White, Executive Director

/kml